Financial relief to FACT

1410. SHRI N.K. PREMACHANDRAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what are the recommendations of the High Power Committee constituted to look into the problems of FACT, and what action has been taken on the recommendations;

(b) whether Government have received any representation from Kerala Government seeking financial relief to FACT Ltd., by writing off the entire loan of Rs. 378 crores and the interest on the loan, from 1998 onwards;

(c) if so, what is the reaction of Government thereto;

(d) whether any proposal is pending to compensate the differential cost of indigenous ammonia and imported ammonia; and

(e) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) Government has not constituted any High Powered Committee to look into the problems of FACT. However, the State Government of Kerala had requested for certain financial reliefs to FACT including waiver of interest on Government loan for a period of five years in respect of the ammonia replacement project at Udyogamandal, Kerala, which was discussed by the Committee of Secretaries in August, 1999. Pursuant to those discussions, Government has initiated the process of finalising a package of financial assistance to the extended to FACT.

(b) and (e) The Tariff Commission has proposed a different rate of concession on complex fertilizers for units using Naphtha (for production of ammonia) for the nutrient 'N' component in complex fertilizers for consideration of the Government. These proposals, after due examination and acceptance, will be used as inputs for the future policy.